

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY REGION 6 1445 ROSS AVENUE, SUITE 1200 DALLAS, TX 75202-2733

November 10, 2005

Michael Hulse, President Murphy Oil USA, Inc. 200 Peach Street P.O. Box 7000 El Dorado, AR 71731-7000

Re: Notice of Federal Interest in an Oil Pollution Incident, St. Bernard Parish, LA

Dear Mr. Hulse:

This letter is to inform you that a discharge and substantial threat of a discharge of oil from the Murphy Oil USA facility located at 2500 East St. Bernard Highway, Meraux, Louisiana were discovered in residential and commercial areas and canals adjacent to the referenced facility. The discharge of a prohibited quantity of oil or a hazardous substance is a violation of the Clean Water Act, as amended by the Oil Pollution Act of 1990 (OPA). Under the OPA, the responsible party is liable for clean-up costs and damages resulting from the incident. A responsible party is the owner, operator, or person in charge of a facility or vessel from which the oil is discharged or poses a threat of discharge.

If you are a responsible party, you should clean up the discharged oil and/or take other actions to prevent or mitigate or minimize the threat of a discharge of oil. If you are a responsible party and do not act, the United States may respond for you and take such actions that are necessary to remove the discharged oil or to minimize or mitigate the threat. The U.S. costs to respond to this incident will be billed to, and recovered from, the responsible party.

You are advised that a responsible party may lose the opportunity to limit their liability for cleanup under OPA if the responsible party fails or refuses to provide all reasonable cooperation and assistance requested by a responsible official in connection with response activities. A responsible party who fails to comply with the order of a Federal On-Scene Coordinator (FOSC) to remove the discharge or to an administrative order to protect the public health and welfare may be subject to additional penalties. Under the Federal Water Pollution Control Act (FWPCA), a civil penalty can amount up

to \$27,500 per day of violation or up to three times the costs incurred by the Oil Spill Liability Trust Fund to conduct removal actions.

If a responsible party takes adequate removal actions in this matter, federal removal actions will typically be limited to monitoring the progress of your actions and providing guidance as necessary. A removal is being done properly if it is done in accordance with federal and state statutes and regulations and in accordance with the criteria of the National Oil and Hazardous Substance Pollution Contingency Plan (NCP). If you undertake the removal action, the adequacy of such action shall be evaluated by the FOSC. Under the FWPCA, a responsible party's actions may be taken into account in determining the amount of any penalty assessed as a result of the incident. I am the FOSC for this incident, and can be reached at 214-665-7114 (office), or 214-789-9656 (cell). Please contact me immediately regarding this incident.

Respectfully,

Scott Harris, Ph.D.

Federal On-Scene Coordinator

U.S. EPA Region 6

Valmichael Leos

Federal On-Scene Coordinator

U.S. EPA Region 6